CHAPTER - I

WOMEN CO-OPERATIVE MOVEMENT AND
WOMEN CO-OPERATIVE BANKS

Introduction

The co-operatives, in the Indian context, have special relevance not only because of their democratic functioning but also because of their association with the exploited who cannot individually enter the market system but collectively can gain strength and fight against exploitation, thereby combining positive qualities of both private and public sectors. It is the value based co-operative system which is the best instrument of removing poverty and unemployment by helping the weak, the poor and the disadvantaged including women. Successive Plans, therefore, have recognized the co-operatives as appropriate agencies of National Policy for achieving growth with social justice.

Induction of women and their involvement in co-operatives is a positive step towards improving their social status. During the last two decades the movements for empowerment of women, socially and economically, have been on the forefront all over the
world, including India. The New Economic Policy initiated in 1991 and the recent Fourth World Conference of Women in Beijing (China) which is termed as an event of the decade, have given it a sharp focus and new urgency. Women membership in a co-operative society provides them with an institution of their own that gives them an opportunity for earning income as well as for decision-making.

Central and State governments have launched and implemented a number of schemes/projects under various Plans to strengthen the status of women including the ‘girl child’ both in urban and rural areas, apart from establishment of National Commission for Women. Notwithstanding all the work done, not much has been made in the upliftment of female population which constitutes nearly 50 per cent of the total population in the country which is still steeped in poverty, unemployment, illiteracy, ignorance and superstition. The problems are gigantic, requiring huge resources and the government has rightly decided to launch some of the schemes with the help of Non-government Organisations (NGOs) and Self Help Groups (SHGs). The need has also been felt for creating awareness among women through literacy campaigns about their capabilities, rights and responsibilities enabling them to play an active and vital role for
improving their quality of life for better. Winds of change are blowing across the country regarding all round development of women.

**Status of Women in Society**

In ancient India, women enjoyed a privileged status in society; which is evident from the fact that many religious rituals were not regarded as complete unless they were present. But with the change in social, political and economic pattern of the State, the status of women witnessed a decline. This situation continued for quite a long period and until reformists like Raja Ram Mohan Roy, Ishwarchandra Vidyasagar, Dayanand Saraswati, G. K. Gokhale, Mahatma Gandhiji, Jyotiba Phule and D. K. Karve started a social movement for the improvement of women's status. Later on the leadership of the women was taken up by some eminent women as Kamala Devi Chattopadhyaya, Sarojini Naidu and others. The movement for women’s emancipation gradually gained momentum and as a result the women of India were granted equality in all spheres of life along with men. The Constitution of India declares: The State shall not discriminate against any citizen on grounds of sex, religion, race, caste or place of birth or any of these.
Although the Constitution endows with equal status and rights to everyone without any discrimination of sex, women in most cases cannot avail themselves of the opportunities because of various factors such as illiteracy, poverty and social conventions.

The employment avenues for women are few because of social, physical and biological factors. There is an urgent need for initiating crash programmes for elevating the status of women in the country.

The most important means of achieving improvement in the status of women would be to secure for them a fair share of employment opportunities. Areas and sectors where women employment is either low or on the decline would be identified and measures to be initiated to promote additional avenues for employment. The strict implementation of Equal Remuneration Act, 1976 has to be done. A major step to be taken to promote female employment would expand and diversify the education and training opportunities available to women. In order to promote self employment and small scale industry employment, the most crucial requirement is the allocation of bank credit.¹
Women and Economic Development

Women are the weaker section of the society. Since earlier times, they are considered to be fit for handling domestic work only. But now they have entered into all fields of society. In many respects they are proved more efficient than men and have contributed immensely for economic development of the country in general and rural development of a country in particular.

Now, there is a growing awareness among the women about their status, rights and progress. They have come to the forefront in different walks of life. They are successfully competing with men despite the social, psychological and economic barriers. This has become possible due to the increased literacy level, political awakening, legal safeguards, urbanization and social reforms. That is why some women have distinguished themselves in many unconventional fields with a result that we are having leading women consultants, eminent scientists, mathematicians, doctors, artists, educationists, managers, administrators, politicians and business entrepreneurs in our country.²
Women and Co-operatives

Some countries, such as Japan, have useful experiences to offer and women co-operatives elsewhere can learn much from Japanese women.

In 1975, as a result of UN the International Women's Year, world attention was focused on women, their problems and the obstacles to their progress. This brought about a change in attitude towards women on the part of governments. International and other agencies including the co-operatives, which realized that unless women, who constitute half the world's population, were drawn into the developmental programmes, progress could not be fully achieved and national development targets could not be fully met.

Women's Involvement in Co-operatives

The experience of women involvement in co-operatives speaks volumes about their excellent performance. While women in Australia work to increase membership and strengthen the consumer co-operatives. Four hundred women's co-operatives of Bangladesh combated against rising prices in 1971. In Indonesia women are engaged in production of handicrafts, brooms, bamboo utensils, etc. Japanese co-operative movement is made up of
three sectors, namely, consumers, agriculture and fisheries. Women are active in all these three sectors. The Japanese consumers’ co-operative union has set up women’s committee to increase the rate of women’s involvement in co-operative movement. Japanese women in the coastal areas work in support of the fisheries co-operatives through their own women’s associations. In the Republic of Korea, the National Project for Integrated Rural Development is being implemented in rural areas by women as well. While women in Malaysia are involved in thrift and loan societies. Philippines women are active in consumers’ credit, industrial and agricultural co-operatives.

The National Co-operative Union of India launched a pilot project in 1964 to create consumer consciousness among women in Delhi. In addition to thrift and credit societies, there are in some cities women’s banks having sole women membership and women employees. These banks aim at promoting the habit of thrift and savings and make available loans to needy women wishing to start small business. Women are also running consumer stores in other Indian States.
Need for Women Participation in Co-operative Movement in India

The concept of women participation is highly significant in the present world, where the participatory development process and women's liberation movements are securing increasing attention by planners and policy makers.

The total number of women co-operatives in the country is about 3,740 and their membership is around one million. In Gujarat State, there are 131 women's co-operatives with membership of about 26,900. These indicate that the total membership of women co-operatives in the country comes to approximately 1 percent as against 50 per cent of the women population in the country.

The involvement of women in co-operatives can be advocated on the following grounds:

1. Women constitute nearly half the population of the country, hence their involvement in the movement will help to undertake such services as are needed by women.

2. They are the main buyers of all consumer goods in a family. They can help the co-operative stores to purchase right and quality goods.
3. They can economise expenditure and promote thrift and savings through their co-operatives.

4. The welfare of the women from lower income groups can be promoted by bringing them into the co-operative fold.

With the spread of literacy in the villages, awareness of women in rural areas can be increased considerably. The role of women in co-operatives is expected to rise in the days to come. By temperament women are well suited to co-operative activities. They have a keen sense of responsibility and cheerfully make sacrifices for the common good. Thrifty by nature, temperament and industrious by habit, they can help to put the co-operative machinery to good use and derive the maximum benefit from it.

Women exert a steady influence in life. The experience of other countries has shown that to effect social and economic reform, their advice and help are indispensable. The participation of women should make the co-operative movement in India strong and progressive.

Co-operatives provide varied opportunities for women. No doubt their standard of living will be raised by the income they earn from the society and their quality of life will be improved due to social awareness, entrepreneurship, development of skills,
increased participation in the affairs of the society leading to better understanding and unity.

**Genesis of Co-operative Movement**

Co-operation, an economic miracle of the nineteenth century, is not a mere slogan in the present era. It is one of the potent instruments to resolve the socio-economic problems of mankind not by resorting to revolution but through a process of mutual and co-operative effort. Emphasising the importance of co-operation, Hall and Watkins observed, “In working with others for the common good, man’s highest qualities are enlisted and developed; and in the employment of these qualities the man himself becomes a better man and the quality of the human race is improved”.4

Thus, co-operation raises the people’s standard both materially and morally. Because of these advantages, the roots of co-operation have spread wide and deep both in the developed and developing nations.

**Co-operation: A Global Perspective**

The genesis of the co-operative movement can be traced back to the first half of 18th century. Robert Owen was the first proponent of the ideals of the co-operation in England in 1793
and William King popularly known as the poor man's doctor is another staunch advocate of co-operative movement in England.

Soon the movement attracted the attention of social workers of several European countries as well as those of the continents of America and Asia facing similar socio-economic problems. Now, the movement has attracted international attention leading to the establishment of the International Co-operative Alliance (ICA) at London in 1895 which provides a forum for co-operation and reinforcement among national co-operative movements.

In this connection it will be worthwhile to mention the observations of Pandit Jawaharlal Nehru. He summed up the genesis and growth of the movement in the following words.

"The co-operative movement started long long ago in many countries on a relatively limited scale and with rather limited objectives. It has grown big in every country whether it is communist, socialist or capitalist. It has grown big and is ever-growing bigger because it has supplied a very big need. It may differ slightly in various countries in its make-up, but broadly speaking, the basic things about the movement are much the same everywhere."
Genesis of Co-operative Movement in India

i. Before Independence

The Indian co-operative movement, like its counterparts in other countries of the world, has been essentially a child of distress. Towards the end of the 19th century, the condition of the rural masses in India was quite deplorable. With a view to save the peasants from the clutches of moneylenders, Provincial Governments enacted several measures of relief, such as, Deccan Agricultural Relief Act (1879); Land Improvement Loans Act (1883) and Agriculturists' Loans Act (1884). These measures, however, did not prove much of a success due to stringent and cumbersome official procedures.

In 1892, the Government of Madras Presidency deputed one of their senior officers, Sir Fredrick Nicholson to study the theory and practice of co-operative structure in England and Germany and to examine the feasibility and modalities of their introduction in the Indian situation. Nicholson in his report observed that we must find “Raiffeisen in India”. In 1901, the Government of India appointed a committee under the Chairmanship of Sir Edward Law, to study the prevailing economic conditions of the country. The committee recommended for the introduction of co-operatives on the Raiffeisen model. The government accepted the
recommendations. Accordingly, the first Co-operative Credit Societies Act, 1904, came into force. The passing of this Act was the first milestone in the co-operative movement of India – a turning point in economic and social history. This Act aimed at encouraging thrift habits among the poor peasants and artisans by setting up co-operative societies. The movement suffered a serious setback as a result of the worldwide economic depression of 1930-31. It was during this period that on the recommendations of the Central Banking Enquiry Committee (1931), Reserve Bank of India (RBI) was set up in 1934. The bank was entrusted with the task of conducting research in the development of the co-operatives. In the mean time, the Government of India appointed the Agricultural Finance Sub-Committee under the Chairmanship of D.R.Gadgil in 1944 and Co-operative Planning Committee under the Chairmanship of R.G.Saraiya in 1945 to study the problems of rural indebtedness.

The Gadgil Committee expressed the view that, “the co-operation would provide the best and the most lasting solution for the problems of agricultural credit in particular and those of rural economy in general”.

Table 1.1 presents the growth of co-operative movement in India during pre-independence period.
TABLE – 1.1
Growth of Co-operative Movement in India
During 1906-47

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Societies (in lakh)</th>
<th>Membership (in lakh)</th>
<th>Working capital (Rs. in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1906-10</td>
<td>00.02</td>
<td>01.60</td>
<td>06.80</td>
</tr>
<tr>
<td>1911-15</td>
<td>00.12</td>
<td>05.51</td>
<td>54.81</td>
</tr>
<tr>
<td>1916-20</td>
<td>00.28</td>
<td>11.30</td>
<td>151.70</td>
</tr>
<tr>
<td>1921-25</td>
<td>00.58</td>
<td>21.55</td>
<td>363.61</td>
</tr>
<tr>
<td>1926-30</td>
<td>00.93</td>
<td>36.90</td>
<td>748.80</td>
</tr>
<tr>
<td>1931-35</td>
<td>00.05</td>
<td>43.22</td>
<td>946.11</td>
</tr>
<tr>
<td>1936-40</td>
<td>01.17</td>
<td>50.77</td>
<td>1046.80</td>
</tr>
<tr>
<td>1941-43</td>
<td>01.50</td>
<td>72.18</td>
<td>1246.70</td>
</tr>
<tr>
<td>1945-46</td>
<td>01.70</td>
<td>91.63</td>
<td>1640.00</td>
</tr>
<tr>
<td>1946-47</td>
<td>01.41</td>
<td>91.01</td>
<td>1561.01</td>
</tr>
</tbody>
</table>


The Table 1.1 shows that till independence, co-operatives have made progress on all fronts.

ii. After Independence

In the post-independence era, co-operation has been assigned a notable role in bringing socio-economic changes through the process of democratic planning with accent on assisting the weaker sections of the society.

The First Five Year Plan of India recognized co-operatives as an indispensable instrument of planned economic action in democracy, combining initiative, mutual benefit and social purpose.6
The Second Five Year Plan maintained that, "the building up of co-operative sector as part of the scheme of planned development as one of the central aims of the national policy".7

The Third Five Year Plan observed that, "a rapidly growing co-operative sector with special emphasis on the needs of the peasant, the worker and the consumer become a vital factor for stability for expansion of employment opportunities and for rapid economic development".8

Based on the concept of growth with stability and social justice, the Fourth Five Year Plan visualized a bright future for co-operatives.

The Fifth Five Year Plan stated, "there is no other instrument as potentially powerful and full of social purpose as the co-operative movement".9

The Sixth Five Year Plan10 pointedly recognized the non-exploitative character of co-operatives, the voluntary nature of their membership, the principle of one man one vote, decentralized decision-making and self-imposed curbs on profits eminently qualifying them as an instrument of development combining the advantages of private ownership with public good.
The Seventh Five Year Plan aims at developing the Primary Agriculture Credit Societies as multi-purpose viable units, promoting professional management and strengthening of effective training for improving operational efficiency.

The Eighth Five Year Plan aimed at improving the capital base of Primary Agricultural Credit Societies and serving the rural poor consisting of small farmers, marginal farmers, agricultural labourers and artisans from exploitation by money-lenders.

The Ninth Five Year Plan laid emphasis on evolving an environment in which co-operatives will become efficient, viable and competitive.

Table 1.2 shows the progress of co-operative movement in India under Five Year Plan.

The data presented in Table 1.2 shows that in the post-independence period, co-operatives have made remarkable progress in terms of membership and working capital.

A salient feature of the Indian co-operative movement is that it has not only numerically expanded but has continuously diversified its activities over the years.
Thus, the co-operative movement in India took birth in 1904 by the enactment of Co-operative Societies Act 1904 and after making a long journey it has entered into the new millennium with lot of hopes and expectations.

Today, co-operative movement in India is the largest in the world. The movement has permeated all walks of life, i.e., agriculture, horticulture, credit and banking, housing, agro-industries, rural electrification, irrigation, water harvesting, labour, weaker sections, dairy, consumers, public distribution system, tribals, international trade, exports, agri-business, human resource development, information technology, etc. The movement has now covered 100 per cent of villages in India along with 65 percent of households.
Co-operative Movement in Karnataka

The erstwhile Mysore State was a pioneer in establishing the first co-operative society in the country at Kanaginahala in the Dharwad district in 1905. Siddanagouda Sanna Ramanagouda Patil was its founder. The State has since then witnessed a tremendous growth in the co-operative sector.

Karnataka has many firsts to its credit. The first Co-operative Consumer Society was started in 1905 and the first Urban Co-operative Bank in 1907 at Bangalore, besides establishment of the first Marketing Co-operative Society in Hubli in 1915 and the first Land Mortgage Bank in 1929 at Dharwad. The state co-operative mortgage bank was started in 1929 at Bangalore.\(^\text{14}\)

Significance of Women’s Co-operative Banks

There is no basic difference between the co-operative banks in general and the women’s co-operative banks. However, one difference must be accepted and that is, women’s co-operative banks have been formed with a social purpose and therefore, it needs special encouragement from the government and the society.\(^\text{15}\)
The Constitution of Mahila Co-operative Banks provides that all managing committee members of the Mahila Co-operative Banks should be women. The President/Chairperson is invariably a woman. The objectives of Mahila Co-operative Banks focus on women welfare, emancipation of women and encouragement to women. All borrowers as well as members are women. Men can at best become nominal members.

The Women's Co-operative Banks can help and guide to establish the industrial estates by providing financial assistance to the women in the urban areas. Women's co-operative banks can also help to form the women's consumer co-operative societies. Such activities sponsored by women's co-operative banks will create a congenial atmosphere for the development of entrepreneurship among women.

**Need for Women's Co-operative Banks in Rural Areas**

In a male dominated rural society, it is not surprising to note that prior to the 1990s, there was hardly any credit scheme designed for rural women. It is only after women-oriented studies highlighted the deprivation and struggle for survival that the concept of rural women have been underestimated and discriminated against in all walks of life despite their substantial contribution to the household economy and in turn the national
economy. The United Nations Commission on Status of Women, observed that women who contribute half of the world population perform two thirds of the world's work, receives one tenth of its income and own less than one hundredth of its property. In India, women produce 30 per cent of all food commodities consumed but get only 10 per cent of the income and own 10 per cent of the property or wealth of the country. Women have been deprived of their economic status, especially in rural areas. Thus, the empowerment of women and improvement of their status and economic role needs to be integrated into economic development programmes. Rural women, especially those belonging to the weaker sections of society, have limited access to resources on employment opportunities that would make them meet bare minimum consumption needs.16

But most of the women's co-operative banks in the country are in urban areas. There were no women's co-operative banks organized in rural areas except one or two. The rural women have proved their efficiency by managing the farm and family. Therefore, they should be encouraged by forming the co-operative banks. There should be at least one Mahila Co-operative Bank in each district. If the appropriate incentives and subsidies are given in the initial years, the women's co-operative banks will
come up. There is also a need for new women’s co-operative banks in rural areas if the RBI and the state government give permission for opening the branches of present women’s banks in rural areas. Apart from collecting the rural savings the banks will serve as a social institution by harnessing women power for more productive purposes.

The objective of Mahila Banks is to promote the idea of women themselves doing something for women. In 1952 the Pandyan Bank Ltd., Madurai (Madura Bank which has been recently amalgamated with Canara Bank) was first to open “Women Branch”, followed by Syndicate Bank, which opened first “Women” branch entirely managed by women staff at Sheshadripuram in Bangalore in 1952. After nationalization of banks in 1969, some attempts were made to target women customers to meet their credit needs and also to open all women branches in various places but these met with limited success. The Women’s Banks have earned a reputation for themselves as sound financial institution and to some extent overcome the initial skepticism and prejudice against them.
Conclusion

The experience of women involvement in different countries gives a very encouraging picture. It clearly shows that women can definitely do well in all spheres of life, particularly in the field of co-operative. But it is disheartening to state that Indian co-operatives have a very insignificant number of women members. They do not have proper representation in the co-operative movement. So the role of women in the co-operatives could be increased by giving them co-operative education and training. Given the adequate encouragement and proper guidance the women's participation would help the movement to proceed on the right track. The co-operative movement cannot ignore women who form half of the population. The movement has to make all efforts to bring this significant component of our society in its fold.

Most women co-operatives are small and have a narrow range of product of services, limited to financial resources and small workforce. At the same time they lack business skill. Credit from banks and financial institutions are necessary for the promotion and strengthening of women co-operatives. Technological assistance for women co-operatives in respect of utilisation of new tools, technologies and processes need to be
given. Mahila Co-operative Banks give a ray of hope for women simultaneously enabling them to contribute their share in social integration in the country.

Starting of Mahila Co-operative Banks in the urban co-operative banking sector has come as a welcome development, throwing open exciting possibilities of growing into one of the most significant movements for economic betterment of women. So, these banks need to be encouraged by the RBI and State governments.
References


